

Handout

Pentagon Press Background Briefing Reconstruction in Iraq

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Director, Project and Contracting Office
United States Army
Department of Defense*

*With participation by Ambassador Bill Taylor
Director, Iraq Reconstruction Management Office
US Embassy Iraq
Department of State*

7 October 2004



PCO: Mission

To serve the people of the United States and Iraq by contracting for and delivering services, supplies, and infrastructure identified within the \$18.44 billion Iraqi Relief and Reconstruction Fund (IRRF), allocated by the U.S. government and taxpaying public, for the rebuilding of Iraq.

PCO is responsible for delivering approximately \$12.6 billion of the \$18.44 billion

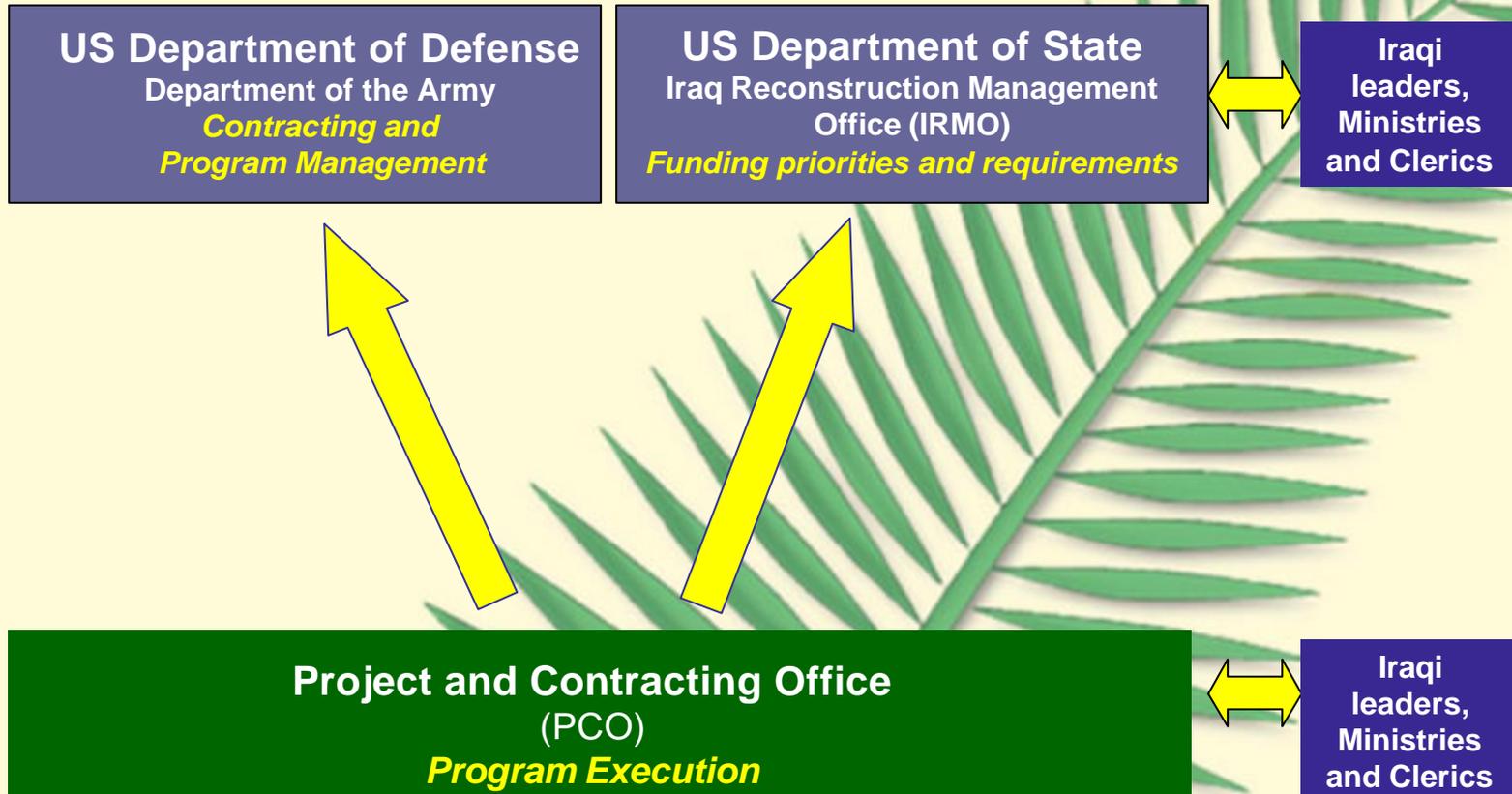


PCO: Three Goals

- 1. To improve the infrastructure in Iraq**
Over 1,000 construction site starts by end of year
- 2) To boost Iraqi employment**
Over 80,000 Iraqis working on our projects today
- 3) To build Iraqi capacity**
Construction industry, engineering, and training so that we may maintain the new and renovated infrastructure and so that we may be self-sustaining



PCO: Reporting Structure



IRRF Reallocation

Recognizing that security and political conditions in Iraq are not the same as when the Iraq Relief and Reconstruction Fund (IRRF) was passed by Congress in the fall of 2003, U.S. Embassy Baghdad, under the leadership of Amb. John Negroponte has requested the reallocation of \$3.37 billion to enhance Iraqi security and law enforcement forces, foster economic development and accelerate employment.

The IRRF was designed with flexibility in mind so that we could review progress and make necessary adjustments. For this reason, \$4 billion was held in reserve.

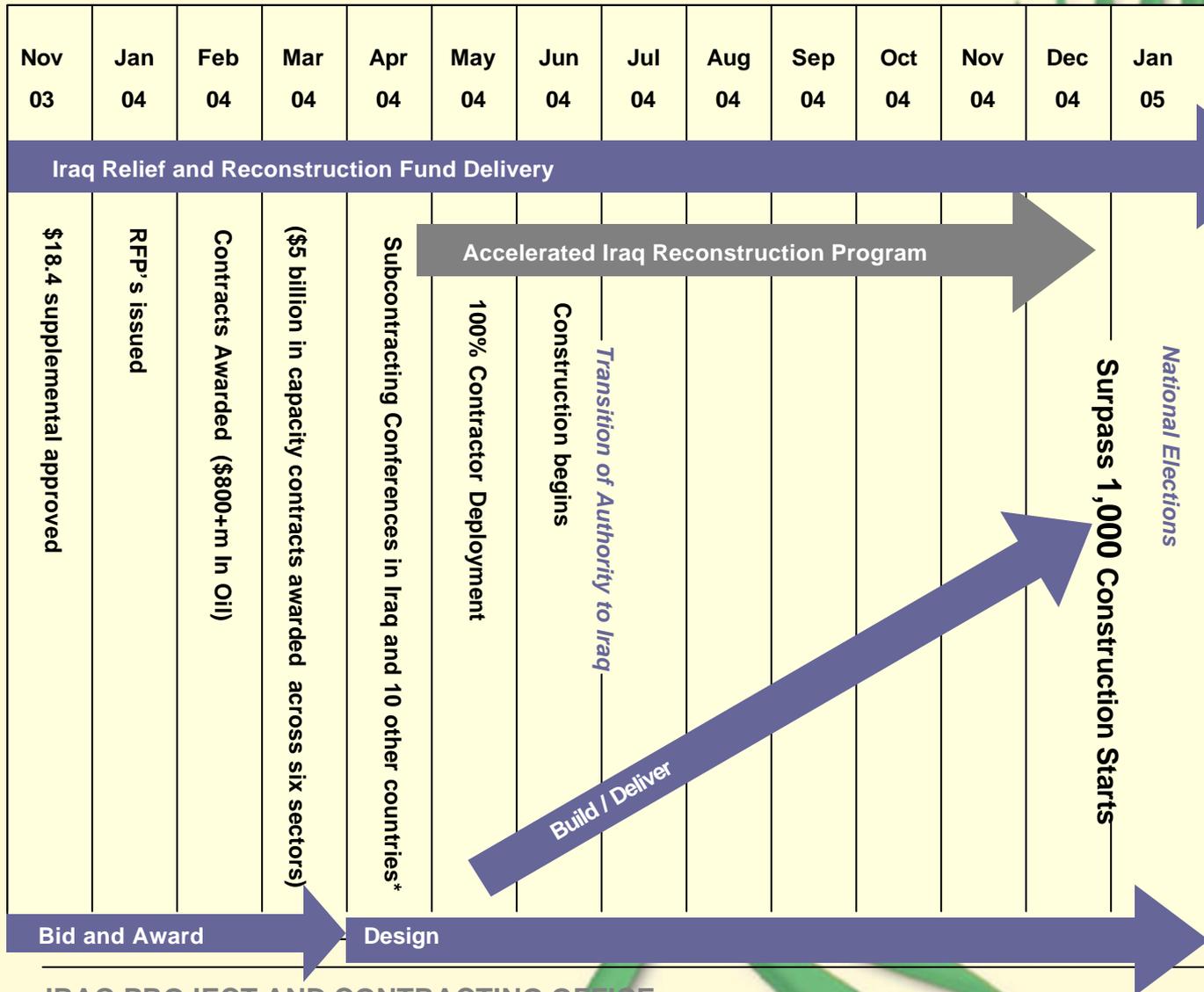
The reallocation does not affect money that has been obligated to date (\$7.69 billion) but instead comes from the \$4 billion holdback reserve within the \$18.44 IRRF fund.

Reallocation Overview:

- \$ 1.804 billion for increased security and law enforcement forces
- \$ 255 million to enhance capacity to produce and export oil
- \$ 195 million to strengthen oil infrastructure
- \$ 380 million for comprehensive economic development
- \$ 236 million to accelerate employment
- \$ 140 million for democracy and governance
- \$ 360 million to finance the elimination of debt owed to the United States Gov't.
- \$3.37 billion **total**



Timeline: PCO Deliverables



Progress Today

Updated 6 October 2004

Apportioned <i>The amount, out of \$18.4 billion that has been released to date</i>	\$13.74 billion
Commitments <i>The amount of money that has been reserved for specific projects</i>	\$10.65 billion
Obligations <i>The amount of money that has been legally contracted with companies to perform the work. An important indicator of progress.</i>	\$7.69 billion
Work in Place	Over \$1.2 billion
Number of Iraqi employees with PCO-related projects today	Over 82,000 people
Number of Iraqi firms working on PCO projects	Approximately 310
Number of Task Orders <i>Issued to contractors and can contain multiple projects</i>	202 issued to date (out of 390 total)
Number of Projects <i>Individual construction projects (can be small and large and are part of task orders) Projects can begin in a design phase before "turning dirt"</i>	2214 begun (out of 2,824 total) Projects which are in some stage of execution (design or build)
Number of Project Construction Sites Today <i>Sites where construction is underway</i>	373
AIRP Program (Accelerated Iraq Reconstruction Program) <i>Funded by DFI; Note: Employment number is part of the 80,000 total</i>	357 projects 14,100 employees \$337 million



Financial Drill Down

As of 6 October 2004

\$ Millions	2207 Report	Apportion	Committed		Obligated		Disbursed	
			Last Week	Current	Last Week	Current	Last Week	Current
Sector								
Security and Law Enforcement	3235	3235	2771	2789	2069	2213	646	660
Electricity Sector	5374	3840	2663	2690	2170	2171	330	331
Oil Infrastructure	1701	1701	1191	1191	678	705	47	48
Justice, Public Safety, and Civil Society	1041	979	751	751	421	426	55	55
Democracy	541	541	522	522	421	425	77	78
Education, Refugees, Human Rights, Governance	259	259	241	241	129	137	28	28
Roads, Bridges, and Construction	360	299	253	244	143	134	12	12
Health Care	786	786	760	764	444	455	4	4
Transportation and Communications	500	499	369	378	171	173	12	12
Water Resources and Sanitation	4246	1409	930	930	726	733	23	23
Private Sector Development	183	168	127	127	93	93	47	47
Admin Expense (USAID, State)	213	29	29	29	29	29	26	26
TOTAL	18439	13745	10607	10656	7494	7694	1307	1324
CONSTRUCTION	12316	8094	6100	6139	4754	4777		
NON-CONSTRUCTION	5582	5110	3985	3995	2319	2492		
DEMOCRACY	541	541	522	522	421	425		
Total	18439	13745	10607	10656	7494	7694		



Construction Status Drilldown

As of 6 October 2004

	Task Orders	Construction	Design & Construction Work in Place (\$ Millions)		% Increase on week
		In Progress	Previous Week	Current	
Sector	TOs Awarded	Projects	Previous Week	Current	
Buildings, Health & Education	17	190	67	72	8%
Electricity	40	28	548	554	1%
Oil	28	9	129	130	0%
Public Works & Water	24	9	36	43	19%
Security & Justice	67	115	390	398	2%
Transportation & Communication	26	22	15	15	1%
TOTAL CONSTRUCTION	202	373	1,184	1,211	2%
<i>Projected Totals</i>	390				
Per Cent of Total	52%				



Iraqi Employment Drilldown

As of 6 October 2004

Sector	Iraqis last week	Iraqis this week	% Increase on week
Buildings, Health & Education	4,700	4,690	-0.2%
Electricity	3,800	3,738	-1.6%
Oil	370	406	9.7%
Public Works & Water	260	422	62.3%
Security & Justice	5,960	5,960 #	0.0%
Transportation & Communications	140	140 #	0.0%
PCO Office Staff	127	127	0.0%
AIRP	13,750	14,100	2.5%
PCO Weekly Survey TOTAL	29,107	29,583	1.6%
USAID	48,000	52,460	9.3%
MILCON TOTAL	750	618	-17.6%
GRAND TOTAL	77,857	82,661	6.2%



Bio: Charles “Charlie” Hess

Charles Hess

Director

Project and Contracting Office

- Mr. Charles M. Hess began his duties as director for operations and management to the Iraq Project and Contracting Office (PCO) on August 21, 2004.
- Before joining PCO, Mr. Hess, a member of the U.S. government’s senior executive service since 1995, served as director of the operations and response division of the U.S. Department of Homeland Security. In this role, he managed the integration of operational aspects of the department’s legacy organizations to provide comprehensive situational awareness and coordinated response operations on incidents of national significance both pre-and post-incident.
- Mr. Hess came to PCO following a distinguished career with the Federal Emergency Management Agency (FEMA) and the U.S. Army Corps of Engineers (USACE) where he served as operations division chief in the Civil Works Directorate at the USACE headquarters. In that position Mr. Hess directed the national program for operations and maintenance of navigation, hydropower, natural resources and recreation infrastructure, as well as, the civil emergency management and regulatory missions of the corps. Other USACE assignments included serving as director of engineering and technical services for the Ohio River Division (now Great Lakes and Ohio River Division); and as chief of the construction division for the Chemical Demilitarization Directorate at the Corps’ Huntsville Engineering Center at Huntsville, Alabama; and deputy commander for programs and technical management, also in Huntsville. In this role he was senior civilian leader of an organization with nationwide responsibilities in the destruction of unexploded ordnance and chemical weapons.



Bio: Ambassador William “Bill” Taylor

Ambassador William “Bill” Taylor, Jr.
Director
Iraq Reconstruction Management Office

- On September 15, 2004, Ambassador William Taylor assumed the role as Director of the Iraq Reconstruction Management Office in US Embassy Baghdad. His primary role is the coordination of the USG reconstruction assistance to Iraq.
- Before Baghdad, Ambassador Taylor served as Afghanistan Coordinator in the US State Department. For nine months he served in US Embassy Kabul as the Special Representative for Donor Assistance to Afghanistan. Working closely with the Afghan government and international donors out of the US embassy in Kabul, Ambassador Taylor facilitated the flow of international assistance to Afghanistan.
- Ambassador Taylor previously served as Coordinator of U.S. Assistance to Europe and Eurasia in the US Department of State in Washington, DC. As such, he oversaw the bilateral economic, security, democracy and humanitarian assistance of all U.S. Government agencies providing assistance to the 27 states of the former Soviet Union and Eastern Europe.
- Before coming to work for the Coordinator’s Office in July 1992, Bill spent five years in Brussels as the Special Deputy Defense Advisor to the U.S. Ambassador to NATO, William Taft. Prior to his overseas duty, Bill directed an in-house Defense Department think tank at Fort McNair in Washington, D.C. Earlier, he served for five years on the staff of Senator Bill Bradley; before that, he directed the Department of Energy’s Office of Emergency Preparedness.

